

Seattle Economic Development Commission *Innovation Ecosystem*

July 25, 2013

“Fluidity of people, ideas, and companies”

Attendees:

Rahul Sood – Microsoft

Jill Nishi – Gates Foundation

Taylor Washburn – Northeastern University Seattle

Ruben Ortega and Darcy Nothnagle – Google

Marc Cummings – Battelle/Pacific Northwest
National Laboratories

Chris Wheaton – EnerG2

Walt Towns – Retail Lockbox

*EDC Hosts: Chris DeVore, EDC Chair, General Partner and Co-Founder, Founders Co-op and TechStars
Maud Daudon, President and CEO, Seattle Metropolitan Chamber of Commerce*

EDC Framework

The majority of participants in the working group accepted the overall framework and organization of the four investment areas presented, while a minority expressed interest in simplifying the vision statement further when framing the foundational areas.

The participants engaged in a discussion concerning what opportunities and big ideas could support the business community in Seattle, as well as identifying some challenges facing the business sector today:

- **Intentionality and Economic Development:** Some skepticism with economic development driving business growth and value of the various public and private economic development resources. However, others cited examples such as the development of South Lake Union and the coalition to retain Boeing 787 as examples of effective economic development.
- **Setting Economic Development Priorities:** Another participant noted that Washington State was one of the least committed when investing in economic development. Given Seattle’s prominence in the regional and state economy, the EDC should influence the state’s economic development priorities and identify areas to align better local initiatives with state resources. Another participant noted that the final EDC agenda should be formally adopted by the City of Seattle as its economic development strategy.

As the conversation progressed, three general themes of action emerged: 1) telling Seattle’s story, 2) providing better support for business; and 3) improving the regulatory environment.

Tell Our Story

Over the past 10-15 years, the Seattle economy has seen tremendous change and increased diversity. In order to encourage more commerce and attract talent to Seattle, we must communicate a story resonates locally, nationally, and globally.

- ***Promoting Commerce:*** An effective brand for Seattle should appeal to business and foster innovation and ideas, while drawing a diverse workforce.
- ***Competing Globally:*** With Seattle’s proximity to Asia, we have a distinct advantage and opportunity to capitalize on attracting Asian investment and exporting our ideas, services, and products to these rapidly growing markets.
- ***Attracting Talent:*** Promoting Seattle as a destination for top talent and investment capital should be a primary focus.

Better Support for Businesses

Businesses—especially early stage and “mid-cap” grow stage companies—would find value in receiving assistance in getting started, navigating government regulations, finding a place to do business, and exporting their products and services. Below are some areas for deeper exploration of initiatives:

- **Startup Seattle:** The City is collaborating with Seattle’s technology startup community to establish, expand, and promote emerging technology companies. This effort is crucial to keeping our economy thriving, while establishing Seattle as an internationally recognized home for new technology companies. How do we better support companies in other sectors, such as the energy, manufacturing, retail, etc. sectors? A more focused efficient deployment of existing public and private business services was identified as an important initial step.
- **“Mid-Cap” and Growth Companies:** Focus on companies that have moved into a middle capital, or growth, stage. These companies often have the most promising growth and job creation potential, but also have find the regulatory environment and available resources difficult to navigate and access.

Improve Regulatory Environment

A supportive regulatory environment is the cornerstone of a healthy and productive economy. When regulations become hurdles to business operations, collaboration, innovation and investment will deteriorate.

- **Public-Private Partnerships:** Regulations that stifle productivity and ideas include the heavy restrictions on public-private partnerships. By leveraging our capital and other resources with those of a private entity, we can achieve a significant public benefit.
 - New Innovation Centers: Replicate the success of South Lake Union and create public-private partnerships that create innovation centers for businesses that provide collaboration, guidance, and a place to work.
 - Supporting UW Innovation: Partner with the University of Washington to explore new policies and governance models that unlock the UW’s tremendous innovation capacity and help commercialize the ideas generated by the UW.
 - Another regulation that impacts business is the State regulation concerning non-compete agreements. We need to attract talented people, ideas, and businesses, but the non-compete agreements can drive inventors and skilled workers away to areas where the regulations are less stringent.
- **Multijurisdictional Regulatory Reform Efforts:** Regulations and the permitting process between local and state government agencies can be complex and confusing, stifling business growth. Below are several examples of the potential reform efforts:
 - Restaurant Reform: The City is partnering with the State, King County, the Seattle Restaurant Alliance, and other entities on a restaurant regulatory reform initiative geared to streamline permit regulations, reduce overlapping and conflicting requirements, and better communicate the process for starting and operating a restaurant in Seattle.
 - Stormwater Management: Regulations focused on the State’s Shoreline Management Act (SMA) and stormwater management also present significant issues for the business community operating in those environs. The SMA includes the policies and regulations that govern land use and activities within the Seattle Shoreline District. Businesses are also impacted by the City’s stormwater code, which covers how to manage stormwater runoff into lakes, creeks, and Puget Sound. Together, these set of regulations make doing business near a body of water difficult, but with careful and thoughtful

examination of the policies and working with the business community, there may be better solutions to working together on shoreline issues.

- **Streamline Taxes:** One recent solution to regulatory reform is the introduction of the Multi-City Business License and Tax Portal among the cities of Seattle, Bellevue, Bellingham, Everett, and Tacoma. The Tax Portal is a common multi-city service that provides each city with the technology to allow its customers options for paying for business license and B&O taxes. By providing a one-stop shop, businesses can easily fulfill their requirements for obtaining business licenses and paying taxes. By improving the regulatory environment, businesses can focus on their operations and growth, instead of navigating various government agencies.

Other Considerations

Social Mobility: Though recognizing Seattle's ability to attract talent from other places, several participants were concerned with the lack of development of homegrown talent. Seattle needs to focus on schools and other strategies to develop local, Seattle talent; increased emphasis here will help meet business need for skilled works and support social mobility and address rising income inequality.

Seattle Economic Development Commission

Social and Cultural Environment

August 7, 2013

“Seattle. . .”

Attendees:

Riz Rollins – KEXP

Sue Sherbrooke – YWCA

Diane Douglas – City Club

John Nesholm – Seattle Opera

Ethan Stowell – Ethan Stowell Inc.

Paul Matthaeus – Digital Kitchen

Randy Engstrom – City of Seattle Office of Arts and Culture

Kyla Fairchild – No Depression Americana

Tracy Wilkersham – Visit Seattle

Jason Lajeunesse – Capitol Hill Block Party

Kerry Murphy – 206 Inc.

EDC Host: Alan Nay, Co-Founder, World Famous

EDC Framework Discussion

Overall agreement on foundational areas with some discussion and recommendations for improvement:

- How can we weave economic justice principles into the framework? Effort should be focused on expanding social mobility, economic opportunity, and focusing on the triple bottom line.
- What is the role of **civic engagement** as part of the EDC effort? Civic vitality should be considered an economic stimulus.

Tell Our Story

Seattle needs to improve on how it tells and brands the story to both those in the region and to the outside.

- **Arts as an Economic Driver:** Arts, culture, and creativity need to be a central part of that branding strategy and needs to be elevated as an important economic driver that generates value for the region. These assets should be supported and not dismissed as expendable luxuries.
- **“Seattle. . .”:** Several noted that Seattle’s unique strength also comes from the fact that it does not fit neatly into any single category. Because Seattle is not easily defined, we have a unique spirit of innovation that is different than in other parts of the country. Our highly flexible and adaptive culture can also provide unique opportunities for individuals.

Place-making

Government needs to have a bigger role incentivizing certain kinds of development and encouraging certain place-making standards. More specifically:

- Incentivizing certain types of **design standards**
- Prioritize **attracting and locating local businesses** (specifically retailers and restaurants) in critical neighborhood business corridors
- Creating more **flexible, creative spaces**
- Encourage more **affordable housing** for artists
- In our downtown business core, develop new and creative approaches to **address civility** and eliminating the perception and reality that it is unsafe

- Enhance ***Special Events technical assistance*** to make sure we have a consistent level of a high quality and well organized events throughout the city and encourage more neighborhood festivals

The **Central Waterfront** and the **Stadium District** represents two major opportunities to explore many of these strategies.

“Platform for citizen innovation”

Social entrepreneurs also must be at the table in this discussion to work with industry and government to address some of our most difficult challenges. Government’s role can be as convener and as creator of a ***platform for citizen innovation*** and engage social entrepreneurs to help create solutions address some of more seemingly intractable social issues, such as civility.

Arts Education and Talent Development

- The private sector can work with colleges and the K-12 school system to create more clearly defined pathways to better link arts education and skill building to growing creative occupations. Successful examples are Vera Project and the upcoming KEXP building at the Seattle Center.
- Arts educational opportunities should not always be a vocational pipeline to art-related careers. Exposure to arts at a young age can build important skills needed for every profession.

Seattle Economic Development Commission *Infrastructure and Built Environment*

August 8, 2013

“Addressing 21st century challenges”

Attendees:

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| Rob Fugere – Tutta Bella | Charlie Howard – PSRC |
| Warren Aakervik – Ballard Oil | Dave Gering – Manufacturing Industrial Council |
| Jordan Royer – Pacific Merchant Shipping Association | Quang Nguyen – Seattle Chinatown ID Preservation and Development Authority |
| Tom Byers – Cedar River | Dave Freiboth – King County Labor Council and EDC Commissioner |
| Jamie Cheney – Commute Seattle | |
| Rich White – Boeing | |
| Marni Heffron – Heffron Transportation | |

EDC Hosts: Tay Yoshitani, CEO, Port of Seattle and Rob Mohn, President RAM Columbia LLC

Framework Discussion

The group generally agreed with the EDC Framework, including the ‘Ten Year Vision Statement’ and the ‘Four Foundational Areas for Economic Development’. However, consideration of two specific revisions was requested:

- Refine the “tone” of vision statement and foundational areas document to reflect the value of Seattle traditional industries in addition to new and emerging businesses as integral to Seattle’s economic success
- Considering separating “Infrastructure and Built Environment” and expand conception of infrastructure to include utilities.

As the session progressed four main themes arose: 1) need for better government coordination; 2) focus on affordability and quality of life; 3) strategic action in “place-making”; and 4) telling Seattle’s story.

Better Government Coordination and Alignment

- **Consistent Planning:** The Seattle too often engages in “advocacy planning” – those with access to policymakers often received better service. The City must commit to a more consistent and transparent system of planning that works across City “silos” (planning, parks, utilities, social services, etc.) and prioritizes and aligns its resources to implement existing and future projects.
- **Process Improvement:** The City should explore continuous process improvement (i.e. LEAN principals) with a mission to improve its service to customers every day.
- **Regulatory Reform:** Consider identifying specific regulatory processes to improve. For example, the State’s Shoreline Management Act (SMA) and the City’s stormwater code present significant issues for the maritime industrial community. The SMA governs land use and activities within the Seattle Shoreline District and the stormwater code covers how to manage water runoff into lakes, creeks, and Puget Sound. These regulations are complex and can make doing business along the water difficult.
- **Public-Private Partnerships:** The Lower Duwamish Waterway Group and their efforts to address the Duwamish Superfund is illustrative model for community, environmental, political, and private industry groups to partner and support additional investment.

Seattle for All

Maintaining and growing a diverse economy means making Seattle work for families; any person should be able to be born in a world class hospital, receive a quality education at all levels, access sustainable wage jobs, live in a safe neighborhood, raise a family, enjoy rich cultural amenities, and retire, all in Seattle

- **Focus on Affordability:** Recognize that there are two primary influences of affordability that the City can influence: rising housing and transportation costs.
 - **Workforce Housing:** Seattle is an innovator when addressing affordable housing for the lowest income earners but we have not effectively addressed rising housing costs for middle income workers. The EDC could call for a revision of affordable housing policies to incentivize development of workforce housing.
 - **Expanding Transit Options:** Aggressively implement transit, biking and walking infrastructure to provide a lower cost options for Seattle residents.

Place-making

- Consider aligning with the Seattle Planning Commission's "**citywide transit communities strategy.**"
- The Planning Commission defines "*A transit community [as] a neighborhood integrated with transit, where **coordinated public and private investments** [emphasis added] improve neighborhood quality, and where **proactively planning for change** [emphasis added] creates a place **for people of all ages and income levels** [emphasis added] living in a "**complete**" community [emphasis added] with access to frequent and reliable transit*".
- Implement strategic planning and inter-departmental coordination for investment in several target areas, such as the **Central Waterfront**, our **industrial areas**, and other locations where change has occurred or is imminent such as Ballard, U-District, Yesler Terrace, Mt. Baker, etc.

Tell Our Story

We have to remind ourselves that Seattle is a great place and we have many existing and successful assets and resources that we often forget.

- Recognize the strengths of our traditional industries in addition to focusing on new economic opportunities.
- Embrace a theme of shared economic values - there is much we can all agree on; this could include a Seattle campaign (e.g., Forward Thrust).

Seattle Economic Development Commission

Talent and Creativity

August 13, 2013

Attendees:

Andrew Lofton - Seattle Housing Authority
Leslie Haynes - Seattle Community College District
Dana Riley Black - Institute for Systems Biology
Steve Hill - Seattle Community College District Trustee
Charissa Raynor - SEIU Healthcare NW Training Partnership

*EDC Hosts: Jill Wakefield, EDC Co-Chair, Chancellor, Seattle Community College District
Chris Rivera, President, Washington Biotechnology and Biomedical Association*

EDC Framework Discussion

The group would like to see the importance of primary and secondary education reflected in the vision statement. They would like to reflect it as a shared value for EDC because of its importance not only in workforce development but also for its impact in attracting talent.

- State the value of educational achievement across the continuum
- Explore ways to better connect K – 12 with post-secondary attainment

In the discussion of talent and creativity the following themes arose:

Social mobility and shared prosperity

- Ensure that there are quality jobs across the entire employment spectrum, including entry level jobs.
- Expand on the success of Pathways to Careers, which embedded industry and labor to identify emerging skills in growing sectors, develop training and employment paths that give opportunities for progression of wages and skills, and meet skills gap.
- Increase access to educational opportunity for all and ensuring achievement, including new strategies to meet the financial gap for Seattle residents seeking postsecondary education.

Integration of training that meets current and future industry demands

- Industry and academia should engage to not only meet the current demands for skills but to anticipate the skills needed in the next 5 – 10 years.
- Explore better feedback between business and industry and education. How might we develop new mechanisms to gauge competencies after people are employed? Do we have the right systems to evaluate how things are working with industry?
- Better integrate expanded apprenticeship models into our industry and educational culture.
- Paying attention to both soft skills as well as technical skills, new emphasis on attitude, be part of team, relate to customers.
- Explore how to prepare people for entrepreneurship and entrepreneurial leadership. Technical experts need to be so much more entrepreneurial than before and able to move in and out of content area. Need to be deliberate and intentional about how to put entrepreneurial innovation into educational pathways. Expand the opportunities and ease for innovation within academia and its commercialization. This includes mentorship.

Telling our story

- Seattle has a reputation as a very high quality postsecondary education region.
- We are known for being progressive and having a diverse and highly educated population.
- There is also a great tradition and recognition of the environment here being collaborative (co-opetition) and innovative.
- There is the potential to participate in the shaping and nurturing of new things.

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